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Message Text

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ORIGIN ARA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 ACDA-12 EB-08 AID-05 IGA-02 MCE-00 OMB-01
TRSE-00 EA-10 /099 R

DRAFTED BY ARA/AND:ASC FULLER
APPROVED BY ARA;FJ MCNEIL
ARA/AND:MR BARNEBEY
----------110799 260604Z /13
R 252101Z NOV 77
FM SECSTATE WASHDC
TO AMEMBASSY CARACAS
AMEMBASSY BOGOTA
AMEMBASSY QUITO
AMEMBASSY LA PAZ
AMEMBASSY SANTIAGO

C O N F I D E N T I A L STATE 282321

E.O. 11652: GDS

TAGS: PBOR, PE, EC, BL, CI

SUBJECT: MORALES BERMUDEZ' LETTER TO PRESIDENT CARTER

REF: LIMA 10178

1. AS EMBASSY LIMA SUGGESTS, HERE FOR YOUR INFORMATION IS ENGLISH TRANSLATION OF TEXT OF PRESIDENT MORALES BERMUDEZ' LETTER DATED NOVEMBER 10 TO PRESIDENT CARTER:

QUOTE DEAR MR. PRESIDENT:

I AM PLEASED TO REFER TO YOUR LETTER OF NOVEMBER 3, 1977 REVEALING YOUR INTEREST IN VARIOUS LATIN AMERICAN AFFAIRS
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IN WHICH PERU, IN ONE WAY OR ANOTHER, IS INVOLVED.

IN THIS RESPECT I AGREE WITH YOU THAT A FRANK AND CONTINUING DIALOGUE WOULD ALLOW US TO ENJOY CLOSER COOPERATION IN MATTERS OF MUTUAL INTEREST FOR OUR TWO COUNTRIES.

WITH RESPECT TO THE COMPLEX AND IMPORTANT TOPIC OF A

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BOLIVIAN OUTLET TO THE SEA, YOU ARE FAMILIAR, MR. PRESIDENT, WITH PERU'S POSITIVE STANCE ON THIS MATTER AND OUR HOPE THAT CHILE AND BOLIVIA WILL FIND THE NECESSARY COMMON DENOMINATOR IN THEIR NEGOTIATIONS SO THAT, ONCE THEY HAVE ACHIEVED A BASIS OF UNDERSTANDING BETWEEN THEMSELVES, PERU CAN MAKE THE PROPOSALS DICTATED BY ITS OWN INTERESTS AND THE PEACE OF THE AREA. HOWEVER, RECENT STATEMENTS BY PRESIDENT BANZER WOULD SEEM TO INDICATE THAT BOLIVIA IS CONSIDERING POSTPONING THE NEGOTIATIONS UNTIL AFTER THE COMING CONSTITUTIONAL ELECTIONS IN THAT COUNTRY. THIS HAS NOT PREVENTED PERU, THROUGH ITS FOREIGN MINISTER DE LA PUENTE, FROM DELIVERING A CLEAR PRESENTATION BEFORETHE UNITED NATIONS GENERAL ASSEMBLY OF THE PERUVIAN POINT OF VIEW AND THE CONSTRUCTIVE SPIRIT WITH WHICH WE SEEK TO ACHIEVE WHAT YOU, IN THE LETTER TO WHICH IAM REPLYING, PRECISELY DEFINED AS "A SATISFACTORY RESULT FOR THE THREE NATIONS."

I HAVE READ WITH INTEREST THE PARAGRAPH IN YOUR LETTER CONCERNING THE TALKS BETWEEN THE FOREIGN MINISTERS OF PERU AND ECUADOR ON THE SUBJECT OF ECUADOREAN ASPIRATIONS IN THE AMAZON. AS YOU KNOW, OVER THE PAST FEW YEARS, MY COUNTRY HAS WORKED DETERMINEDLY TO DEVELOP A POLICY OF CLOSE COOPERATION WITH ECUADOR, TO WHICH WE ARE JOINED BY STRONG HISTORICAL AND GEOGRAPHICAL TIES THAT SHOULD BE EXPRESSED BY ACTIVE COOPERATION IN BROAD AREAS OF COMMON
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INTEREST. PERU IS READY TO CONTINUE GIVING SPECIFIC PROOF OF THIS SPIRIT, ESPECIALLY IN THE VAST FIELD OF AMAZONIAN COOPERATION. SEVERAL PROPOSALS ARE NOW UNDER CONSIDERATION IN THIS AREA WHICH WE WILL SOON BE PRESENTING TO ECUADOR AND WHICH COULD ESTABLISH BASES BY WHICH THAT COUNTRY COULD TAKE ADVANTAGE OF ITS AMAZONIAN POTENTIAL. HOWEVER, ALL OF THIS PERUVIAN EFFORT SHOULD NOT NECESSARILY BE LINKED TO THE ECUADOREAN DESIRE FOR A SOVEREIGN OUTLET TO THE AMAZON. IT SHOULD BE REMEMBERED THAT THERE IS AN EXISTING TREATY ON BOUNDARIES BETWEEN PERU AND ECUADOR WHOSE INTERNATIONAL BOUNDARY LINE WE SHOULD RESPECT AND FOR WHICH THE UNITED STATES OF AMERICA IS ONE OF THE GUARANTOR COUNTRIES.

AS YOU RECALL, THE PRESENCE IN WASHINGTONOF THE PRESIDENTS OF THE ANDEAN PACT MEMBER COUNTRIES WAS A PROPITIOUS OCCASION FOR HARMONIZING OUR POSITIONS IN SUCH A MANNER AS TO AFFIRM THE POLICY OF THE PACT AND TO STIMULATE THE EXTRAORDINARY COORDINATED SUBREGIONAL DEVELOPMENT EFFORT WHICH THIS ENTAILS TO THE UTMOST. IT IS INTERESTING THAT THIS FIRST MEETING OF ANDEAN PRESIDENTS TOOK PLACE IN WASHINGTON, AND WE WOULD LIKE TO SEE IN THIS FACT

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AN AUSPICIOUS SIGN OF THE CONSTRUCTIVE FUTURE POLICY OF COOPERATION BY THE GOVERNMENT OF THE UNITED STATES WITH THIS IMPORTANT INTEGRATION EXPERIENCE.

I AM ESPECIALLY APPRECIATIVE OF YOUR PERSONAL INTEREST IN THE ECONOMIC PROBLEMS WHICH HAVE CONFRONTED PERU IN THESE LAST FEW MONTHS. WE ARE FIRM IN OUR DECISION TO MAKE ALL NECESSARY EFFORTS TO OVERCOME THIS CRITICAL SITUATION. THE AGREEMENT WITH THE IMF IS PART OF THIS POLICY. WE ARE CONFIDENT THAT THE U.S. BANKING COMMUNITY WILL JOIN IN THESE EFFORTS, AS WE ARE ALSO ESPECIALLY CONFIDENT OF THE SUPPORT OF YOUR ADMINISTRATION, PARTICULARLY IN HELP-ING THE U.S. FINANCIAL COMMUNITY TO SEE THE DESIRABILITY OF PARTICIPATING IN THE CONSOLIDATION OF PERUVIAN DEVELOP-
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MENT, TAKING INTO ACCOUNT THE DESIRE FOR FREEDOM, DEMO-CRACY, AND SOCIAL JUSTICE WHICH INSPIRES THE GOVERNMENT OVER WHICH I PRESIDE.

THERE IS AN IMPORTANT MATTER THAT I COULD NOT FAIL TO MENTION IN VIEW OF THE CORDIAL FRANKNESS WHICH WE HAVE ESTABLISHED BETWEEN US. I AM REFERRING SPECIFICALLY TO THE PROPOSAL FOR A NEW SUGAR PROGRAM BEING SUBMITTED TO YOU BY THE SECRETARY OF AGRICULTURE, WHICH INCLUDES AN INCREASE IN DUTIES AND ADDITIONAL SURTAXES THAT WOULD REDUCE THE PRICE OF SUGAR EXPORTED BY PRODUCE COUNTRIES, PERU AMONG THEM.

THAT WOULD MEAN THAT THE PRICE PER POUND OF SUGAR PAID TO THE EXPORTER WOULD BE APPROXIMATELY US$0.06, WHICH DOES NOT COVER THE COSTS OF PRODUCTION, WHILE THE U.S. PRODUCER WILL RECEIVE THE PROTECTED PRICE OF US$0.135 PER POUND.

THE SITUATION DESCRIBED ABOVE IS INEQUITABLE FOR THE SUGAR-EXPORTING COUNTRIES AND WOULD PRECIPITATE AN EXTREMELY GRAVE CRISIS IN THE PERUVIAN SUGAR INDUSTRY; SUCH A CRISIS WOULD NOT ONLY CAUSE FINANCIAL AND ECONOMIC PROBLEMS BUT ALSO PROFOUND SOCIAL REPERCUSSIONS, AS WELL AS SERIOUSLY IMPAIRING THE APPLICATION OF THE NEW INTER-NATIONAL SUGAR AGREEMENT.

IT ALSO WORRIES ME, AS IT DOES YOU, THAT RESOURCES WHICH COULD BE DIRECTED TOWARD DEVELOPMENT MUST BE USED IN THE ACQUISITION OF MILITARY EQUIPMENT. THE POSITION OF THE PERUVIAN GOVERNMENT ON THE ISSUE IS WELL KNOWN TO YOU, SINCE I HAD THE OPPORTUNITY TO PRESENT IT TO YOU IN WASHINGTON WHILE STATING PERU'S REASONS FOR RECENTLY REPLACING SOME OF ITS MILITARY EQUIPMENT. THE EFFORTS
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MADE BY PERU TO CUT ITS MILITARY EXPENDITURES SUBSTANTIALLY DO NOT SEEM TO BE MATCHED BY A CONCURRENT WILLINGNESS ON THE PART OF NEIGHBORING COUNTRIES WHICH ARE ALSO RESPONSIBLE FOR SECURITY AND PEACE IN THE AREA. HIGH DEFENSE OFFICIALS OF TWO OF THOSE COUNTRIES HAVE RECENTLY TRAVELED AT THE SAME TIME TO THE FAR EAST TO A COUNTRY KNOWN AS AN INTERMEDIARY IN ARMS SALES.

I THEREFORE APPRECIATE YOUR PROPOSAL WHEREBY ARMS-PRODUCING COUNTRIES SUCH AS YOURS WOULD CONTRIBUTE DECISIVELY, BY CONTROLLINGARMS SALES, TO CREATING THE CONDITIONS NECESSARY FOR STRENGTHENING THE PEACE, AN AIM WHICH YOUR GOVERNMENT AND MINE ARE DETERMINED TO ACHIEVE.

IN THAT CONNECTION APPLICATION OF THE AYACUCHO DECLARATION WOULD UNDOUBTEDLY PROVIDE THE INDISPENSABLE BASIS FOR STABILIZING THE PRESENT SITUATION, AND THAT BASIS COULD BE STRENGTHENED WHEN ADVISABLE THROUGH MEASURES REFLECTING THE INTENTION OF THE COUNTRIES INVOLVED TO MAKE EFFECTIVE CONTRIBUTIONS TO THE ACHIEVEMENT OF THAT GOAL. BY THE SAME TOKEN, ISOLATED EFFORTS DESIGNED TO LIMIT OUTLAYS FOR ARMS PURCHASES WOULD NOT BRING ABOUT THE DESIRED END.

TO FOLLOW THIS LINE OF REASONING, YOUR GOVERNMENT WOULD, BY ENCOURAGING THE AFOREMENTIONED COUNTRIES TO ASSUME THE LOFTY AIM OF PURSUING A RELAXATION OF TENSIONS AND PEACE IN THE MANNER JUST OUTLINED, MAKE AN INVALUABLE CONTRIBTION TO FULLFILLMENT THE SHARED DESIRE WHICH INSPIRES PERU'S AND THE UNITED STATES OF AMERICA'S INTERNATIONAL ACTIONS IN THIS MATTER.

I WAS GRATIFIED BY MY RECENT CONVERSATION WITH GENERAL BERNARD ROGERS, CHIEF OF STAFF OF THE UNITED STATES ARMY. I AM SURE THAT HE WILL BE ABLE TO INFORM YOU PERSONALLY AND IN DETAIL OF THE TRUE SPIRIT OF PEACE WHICH ANIMATES THE PERUVIAN ARMED FORCES.
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I AM GIVING SPECIAL CONSIDERATION TO YOUR REFERENCE TO AMBASSADOR SHLAUDEMAN. YOU MAY BE SURE THAT HIS ACTIVITIES IN MY COUNTRY ARE GREATLY APPRECIATED. I WISH TO EXPRESS A SIMILAR CONFIDENCE IN RELATION TO AMBASSADOR GARCIA BEDOYA.

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I WELCOME YOUR KIND SUGGESTION AND I SHALL NOT HESITATE TO GET IN TOUCH WITH YOU WHENEVER I FEEL THAT A WORD OF MINE CAN HELP TO FURTHER THE FRIENDSHIP BETWEEN OUR PEOPLES AND SERVE OUR COMMON INTERESTS. IN CLOSING, I WISH TO EXPRESS TO YOU THE SUPPORT OF THE PERUVIAN PEOPLE FOR YOUR COURAGEOUS EFFORTS CONCERNING THE PANAMA CANAL TREATIES, AN ISSUE OF THE GREATEST INTEREST TO THE AMERICAS AND ONE WHICH YOU HAVE FACED DECISIVELY AND WITH FORESIGNT. SINCERELY, FRANCISCO MORALES BERMUDEZ CERRUTTI, PRESIDENT OF THE REPUBLIC OF PERU. END QUOTE

2. LIMA'S 10178 IS ALSO BEING REPEATED TO YOU IN SEPTEL.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Concepts: LANDLOCKED COUNTRIES, DIPLOMATIC COMMUNICATIONS
Control Number: n/a
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Sent Date: 25-Nov-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Drafter: ASC FULLER
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Errors: N/A
Expiration:
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Handling Restrictions: n/a
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SAS ID: 448491
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TAGS: PBOR, PE, EC, BL, CI, (MORALES BERMUDEZ CERRUTTI, F)
To: CARACAS BOGOTA MULTIPLE
Type: TE
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